

House Bill 1247

By: Representatives Stephens of the 164<sup>th</sup>, McCall of the 30<sup>th</sup>, Smith of the 70<sup>th</sup>, Carter of the 159<sup>th</sup>, Hill of the 180<sup>th</sup>, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 50 of the Official Code of Georgia Annotated, relating to state government,  
2 so as to provide for legislative findings; to create the Georgia Water Authority; to provide  
3 for definitions; to provide for the principal office of the authority; to provide for the nature  
4 of the authority; to provide for the composition of the authority; to provide for its officers;  
5 to provide for meetings, quorums, attendance, and notice; to provide for the expense  
6 reimbursement of members; to provide for rules and regulations; to provide for the  
7 employment of staff and consultants and advisers; to require the keeping of certain records;  
8 to provide for the purposes and powers of the authority; to provide for the operation of the  
9 authority; to provide that the authority is an institution of purely public charity performing  
10 an essential governmental function and its property is public property; to provide tax exempt  
11 status; to provide for certain contracts and contracting abilities; to provide for the nature and  
12 content of such contracts; to provide for the issuance and validation of revenue bonds and  
13 the replacement of such bonds; to provide approval for the investment of certain funds in  
14 such bonds by certain entities; to provide for the use of the proceeds of such bonds; to  
15 provide for bond anticipation notes; to provide for the liability for the payment of such bonds  
16 and notes; to provide for relief in the event of default; to establish the amount of fees, tolls,  
17 and charges to fund such bonds and notes; to provide for audits; to provide for venue; to  
18 exempt certain activities from regulation by the Public Service Commission; to provide for  
19 the applicability of certain laws; to provide for the liberal construction; to provide for related  
20 matters; to repeal conflicting laws; and for other purposes.

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

22 **SECTION 1.**

23 The General Assembly finds that certain political subdivisions, municipal corporations, and  
24 public authorities of this state now own and operate, or intend to own and operate, water  
25 distribution systems to serve their citizens, inhabitants, and customers by providing them

1 with water for all purposes; and, if such political subdivisions are to furnish, and if the  
2 members of the public in the areas they serve are to receive, adequate service, such political  
3 subdivisions, municipal corporations, and public authorities must have adequate, dependable,  
4 and economical sources of water supplies. The General Assembly declares that there exists  
5 in this state a need for an authority to function without profit in developing and promoting  
6 for the public good in this state adequate, dependable, and economical sources and supplies  
7 of desalinized (desalted) water for the purposes expressed in this Act, and to assist in the  
8 financing of additions and other expenditures for the water systems of such political  
9 subdivisions.

## 10 SECTION 2.

11 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended  
12 by adding a new Chapter 36 to read as follows:

### 13 "CHAPTER 36

14 50-36-1.

15 As used in this chapter, the term:

16 (1) 'Authority' means the Georgia Water Authority and any successor thereto. Any  
17 change in name or composition of the authority shall in no way affect the vested rights  
18 of any person under this chapter or impair the obligations of any contracts existing under  
19 this chapter.

20 (2) 'Bond anticipation notes' or 'notes' means obligations issued after validation of bonds  
21 and in anticipation of the issuance of the bonds as validated.

22 (3) 'Bonds' or 'revenue bonds' means any bonds issued by the authority under this  
23 chapter, including refunding bonds.

24 (4) 'Cost of project' or 'cost of construction' means all costs of construction; all costs of  
25 real and personal property required for the purposes of such project and facilities related  
26 thereto, including land and any leases, rights, or undivided interest therein, easements,  
27 franchises, water rights, fees, permits, approvals, licenses, and certificates, and the  
28 securing of such permits, approvals, licenses, and certificates and the preparation of  
29 applications therefor, and including all machinery and equipment, including equipment  
30 for use in connection with such construction; financing charges; working capital; interest  
31 prior to and during construction and during such additional period as the authority may  
32 determine; operating expenses during such period as the authority may determine; costs  
33 of engineering, architectural, and legal services; costs of plans and specifications and all

1 expenses necessary or incidental to determining the feasibility or practicability of the  
2 project; costs of insurance or of self-insuring any project; administrative expenses;  
3 amounts payable under any judgment against the authority; disposal costs; all costs  
4 associated with acquiring contract rights or other contractual arrangements for the  
5 short-term or long-term provision of water supplies, including reserves, transmission,  
6 storage, reservoirs, or other services associated therewith, including prepayments for  
7 such; and such other expenses as may be necessary or incidental to the financing  
8 authorized by this chapter. All funds paid or advanced for any of the purposes mentioned  
9 in this paragraph by political subdivisions contracting with the authority prior to the  
10 issuance of any of the authority's bonds or notes may be refunded to such political  
11 subdivisions out of the proceeds of any bonds or notes so issued. The costs of any project  
12 may also include a fund or funds for the creation of a debt service reserve, a renewal and  
13 replacement reserve, and such other reserves as may be reasonably required by the  
14 authority for the operation of its projects and as may be authorized by any bond resolution  
15 or trust agreement or indenture pursuant to the provisions of which the issuance of any  
16 such bonds or bond anticipation notes may be authorized. Any obligation or expense  
17 incurred for any of the purposes mentioned in this paragraph shall be regarded as a part  
18 of the cost of project and may be paid or reimbursed as such out of the proceeds of  
19 revenue bonds or notes issued under this chapter for such project.

20 (5) 'Distribution' means the conveyance of water to any purchaser thereof.

21 (6) 'Political subdivision' means any political subdivision, municipal corporation, or  
22 public authority of the State of Georgia.

23 (7) 'Private entity' means any nongovernmental, profit, or nonprofit entity qualified to do  
24 business in the State of Georgia.

25 (8) 'Production' means the physical activities, processes, properties, and facilities for  
26 development, manufacture, treatment, synthesis, production, extraction, gathering, or  
27 storage of water.

28 (9) 'Project,' 'undertaking,' or 'facility' means any plant, works, system, reservoir, facility,  
29 and real and personal property of any nature whatsoever, together with all parts thereof  
30 and appurtenances thereto, and any contract rights, relating to the storage, acquisition,  
31 production, distribution, enrichment, transmission, purchase, sale, exchange, or  
32 interchange of water and relating to the acquisition, extraction, conversion, transportation,  
33 or storage for any such purposes, or any interest in, or right to the use, services,  
34 enrichment, output, or capacity of any such plant, works, system, or facilities. The term  
35 'project' or 'undertaking' as used in this paragraph is intended to include contracts and  
36 contract rights as well as tangible property.

(10) 'Storage' means any process, properties, activities, or facilities used to hold, store, or maintain water, including reservoirs.

(11) 'System' means those properties, facilities, projects, contractual rights, or combination thereof of the authority which are designated by the authority as constituting a specific combination for the purposes of financing such or for the purposes of providing water supplies or services to a specified group of political subdivisions or to a specified geographic area.

(12) 'Transmission' means the transfer of water from its production or acquisition site to, between, or among political subdivisions or other persons with whom they may contract, but does not include distribution, except where incidental or necessary to transmission.

(13) 'Water' means desalinized (desalted) water.

50-36-2.

(a) There is created a public body corporate and politic to be known as the Georgia Water Authority, which shall be a public corporation of the State of Georgia and which shall have perpetual existence. The authority, however, shall not be a political subdivision of the state but shall be an instrumentality of the state, a mere creature of the state, having distinct corporate entity and being exempt from Article 2 of Chapter 17 of this title.

(b) The authority shall have its principal office either in Clayton County or in a county contiguous to Clayton County. The authority's residence for the purposes of this chapter shall be either Clayton County or such other county contiguous to Clayton County. If the authority designates a county other than Clayton County as its principal office, notice of such designation shall be given in writing to the Secretary of State and the address of such designated office shall be available for public inspection in the office of the Secretary of State.

50-36-3.

The authority shall consist of seven members. The seven members shall be the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the state auditor, the Attorney General, the Commissioner of Agriculture, the director of the Environmental Protection Division of the Department of Natural Resources, and the commissioner of the Department of Economic Development.

50-36-4.

The Governor shall be the chairperson of the authority. The authority shall elect from among its membership a vice chairperson, a secretary-treasurer, and an assistant

1 secretary-treasurer. Such officers shall serve for such terms as shall be prescribed by  
2 resolution of the authority or until their successors are elected and qualified.

3 50-36-5.

4 At all meetings of the authority, the presence in person or by telephone conference call of  
5 a majority of the members in office shall be necessary for the transaction of business, and  
6 the affirmative vote of a majority of such quorum shall be necessary for any action of the  
7 authority. No vacancy in the membership of the authority shall impair the right of such  
8 majority to exercise all the rights and perform all the duties of the authority. If at any  
9 meeting there is less than a majority present in person or by telephone conference call, a  
10 majority of those present may adjourn the meeting to a fixed time and place, and notice of  
11 such time and place shall be given in accordance with subsection (c) of Code Section  
12 50-36-6, provided that, if the time element of subsection (c) of Code Section 50-36-6  
13 cannot reasonably be complied with, such notice, if any, of such adjourned meeting shall  
14 be given as is reasonably practicable.

15 50-36-6.

16 (a) The annual meeting of the authority shall be held on the anniversary date of the first  
17 meeting of the authority unless the date, time, and place of such annual meeting shall  
18 otherwise be fixed by resolution of the authority.

19 (b) Special meetings of the authority may be called by resolution of the authority, by the  
20 chairperson or vice chairperson, or upon the written request of at least three members of  
21 the authority.

22 (c) Written notice of all meetings shall be delivered by the secretary to each political  
23 subdivision contracting with the authority and to each member of the authority not less than  
24 ten days prior to the date of such meeting in the case of regular meetings and not less than  
25 three days prior to the date of such meeting in the case of special meetings.

26 (d) Notice of a meeting of the authority need not be given to any member who signs a  
27 waiver of notice either before or after the meeting. Attendance of a member at a meeting  
28 shall constitute a waiver of notice of such meeting and a waiver of any and all objections  
29 to the place or time of the meeting or to the manner in which it has been called or  
30 convened, except when a member states at the beginning of the meeting any such objection  
31 or objections to the transaction of business. Neither the business to be transacted at, nor  
32 the purpose of, any regular or special meeting of the authority need be specified in the  
33 notice or the waiver of notice of such meetings.

(e) In addition to the annual meeting of the authority, regular meetings of the authority may be established by resolution of the authority; and no notice, other than notice of the adoption of such resolution conveyed to any member of the authority who was absent when it was adopted, shall be required for such meeting, except for the notice required by subsection (c) of this Code section.

50-36-7.

The members of the authority shall not be entitled to compensation for their services, but may be reimbursed by the authority for their actual expenses properly incurred in the performance of their duties. The authority shall make rules and regulations for its own government and may retain, employ, and engage all necessary staff and personnel, including professional and technical supervisors, assistants, and experts and other agents and employees, whether temporary or permanent, as it may require. Any one or more of such persons so engaged may be designated as an additional assistant secretary-treasurer of the authority and may be given the duties of keeping the books, records, and minutes of the authority; of giving all notices required by Code Sections 50-36-5 and 50-36-6; and, in the absence of or in lieu of the secretary-treasurer, of performing all other functions of the secretary-treasurer. Officers and employees designated by the authority pursuant to this Code section shall serve at the pleasure of the authority.

50-36-8.

The authority shall keep suitable books and records of all its obligations, contracts, transactions, and undertakings; of all income and receipts of every nature; and of all expenditures of every kind.

50-36-9.

The purpose of the authority shall be:

(1) To acquire, construct, or acquire and construct and to operate and maintain or to cause to be constructed, operated, and maintained systems, projects, and facilities for the storage, acquisition, production, distribution, transmission, purchase, sale, exchange, or interchange of desalinized water; and

(2) To take all other necessary or desirable actions in order to provide or make available an adequate, dependable, and economical supply of desalinized water and related services to those political subdivisions of this state identified in Code Section 50-36-14 which may desire the same and, incidentally and so as to take advantage of economies of scale in the storage, acquisition, production, distribution, transmission, purchase, sale, exchange, or

1 interchange of desalinized water, to provide or make available such water and related  
2 services to other persons and entities.

3 50-36-10.

4 The authority shall have all powers necessary or convenient to carry out and effectuate the  
5 purpose and provisions of this chapter including, but without limiting the generality of the  
6 foregoing, the power:

7 (1) To sue and be sued in contract and in tort and to complain and defend in all courts;

8 (2) To adopt and to alter a corporate seal;

9 (3) To acquire in its own name, inside and outside this state, real property or rights and  
10 easements therein and franchises and personal property necessary or convenient for its  
11 corporate purposes, by purchase, on such terms and conditions and in such manner as it  
12 may deem proper, or by gift, grant, lease, or otherwise; to insure the same against any and  
13 all risks as such insurance may, from time to time, be available; and to use such property,  
14 rent or lease the same to or from others, make contracts with respect to the use thereof,  
15 or sell, lease, or otherwise dispose of any such property in any manner it deems to the best  
16 advantage of the authority and the purposes thereof. The power to acquire, use, and  
17 dispose of property provided in this paragraph shall include the power to acquire, use, and  
18 dispose of any interest in such property, whether divided or undivided, which acquisition  
19 may result in the ownership of such property or any part thereof in common with any  
20 other party, whether public or private. Title to any such property of the authority,  
21 however, shall be held by the authority exclusively for the benefit of the public. If the  
22 authority shall deem it expedient to construct any project on lands which are subject to  
23 the control of the state or of any political subdivision or public corporation of the state,  
24 the appropriate state authorities, in the case of lands controlled by the state, or the  
25 governing authorities of such political subdivisions or such public corporations are  
26 authorized to convey such lands to the authority for such consideration, not exceeding  
27 reasonable value, as may be agreed upon by the authority, as grantee, and by the  
28 appropriate state authorities or by the governing body of such political subdivision or by  
29 such public corporation, as grantor, taking into consideration the public benefit to be  
30 derived from such conveyance;

31 (4) To appoint and select officers, agents, and employees, including engineering,  
32 architectural, and construction experts, fiscal agents, and attorneys, and to fix their  
33 compensation;

34 (5) To acquire, by purchase or otherwise, in whole or in part, inside or outside this state,  
35 as provided in paragraph (3) of this Code section, and to place into operation and operate

1 or cause to be placed into operation and operated, either as owner of all or of any part in  
2 common with others or as agent, facilities and projects for the storage, acquisition,  
3 production, distribution, transmission, purchase, sale, exchange, or interchange of water;  
4 to acquire and to provide, by sale or otherwise, an adequate, dependable, and economical  
5 water supply to political subdivisions of this state contracting with the authority pursuant  
6 to the authority of Code Section 50-36-14; and, through such political subdivisions, to  
7 supply such water to the members of the public in the areas served by them; and, as agent  
8 for such political subdivisions, to secure water contracts and arrangements with other  
9 persons. The authority shall also have the power, which may be exercised either as  
10 principal or as agent, to manufacture, store, and transmit water; to manufacture, buy, sell,  
11 import, export, lease, or otherwise acquire and generally deal in water apparatuses of all  
12 kinds and machinery and devices and materials for the manufacture, storage, and  
13 transmission of water; to purchase water at retail or wholesale from any other person; to  
14 purchase or construct part of the capacity of projects or facilities sponsored and owned  
15 by or in common with others, making any such purchase at wholesale or retail inside or  
16 outside this state; to contract for the purchase of water from, or the sale of water to, the  
17 United States government and water utility systems either privately or publicly owned,  
18 inside or outside this state; to execute long-term or short-term water purchase or sale  
19 contracts on terms which may include agreements with respect to resale rates and the  
20 disposition of revenues; to interchange, exchange, store, and purchase water from any  
21 person; to erect, buy, lease, or otherwise acquire, operate, and maintain water projects;  
22 to transmit water both for itself and on behalf of others; to erect, buy, sell, lease, or  
23 otherwise acquire, maintain, and operate or cause to be maintained and operated plants,  
24 underground subways, conduits, and pipelines above, upon, and under the streets, alleys,  
25 lands, and territories of political subdivisions, public or private corporations, or  
26 individuals; and to continue to sell water to political subdivisions of this state which are  
27 authorized to contract with the authority pursuant to Code Section 50-36-14 and to other  
28 persons and entities inside or outside this state and, as agent for any or all of the same,  
29 to make water otherwise available to them through arrangements with other persons, all  
30 in the exercise of the powers of the authority and to effectuate the purposes of this  
31 chapter;

32 (6) To designate one or more systems in effectuating any of its purposes;

33 (7) To contract with the state and its agencies, instrumentalities, and departments; with  
34 those political subdivisions of the state which are authorized to contract with the authority  
35 pursuant to Code Section 50-36-14; and with private persons and corporations inside or  
36 outside this state. This power includes the making of contracts for the construction of



1 projects, which contracts for construction may be made either as sole owner of the project  
2 or as owner, in common with other public or private persons, of any divided or undivided  
3 interest therein; and is further intended to include, without limitation, the making of  
4 contracts for the purchase, sale, exchange, interchange, pooling, transmission,  
5 distribution, or storage of water for any such purposes, inside and outside the State of  
6 Georgia, in such amounts as it shall determine to be necessary and appropriate to make  
7 the most effective use of its powers and to meet its responsibilities, on such terms and for  
8 such period of time, not exceeding 50 years, as the authority shall determine; and is  
9 further intended to include, without limitation, the making of contracts for furnishing  
10 water supply development services and management services to political subdivisions  
11 contracting with the authority pursuant to Code Section 50-36-14;

12 (8) To exercise any one or more of the powers, rights, and privileges conferred by this  
13 chapter either alone or jointly or in common with one or more other parties or utilities,  
14 whether public or private. In any such exercise of such powers, rights, and privileges  
15 jointly or in common with others with respect to the construction, operation, and  
16 maintenance of water projects or facilities, the authority may own an undivided interest  
17 in such facilities with any other parties, whether public or private. The authority may  
18 enter into agreements with respect to any such water storage, manufacturing, distribution,  
19 or transmission facility with the other parties participating therein, and any such  
20 agreement may contain such terms, conditions, and provisions consistent with this chapter  
21 as the parties thereto shall deem to be in their best interests. Any such agreement may  
22 include, but need not be limited to, provisions for the construction, operation, and  
23 maintenance of such water storage, manufacturing, or transmission facility by any one or  
24 more of the parties to such agreement, which party or parties shall be designated in or  
25 pursuant to such agreement as agent or agents on behalf of itself and one or more of the  
26 other parties thereto, or by such other means as may be determined by the parties thereto.  
27 Such an agreement may also include provisions for methods of determining and  
28 allocating among or between the parties the costs of construction, operation, maintenance,  
29 renewals, replacements, improvements, and disposals with respect to such facility. In  
30 carrying out its functions and activities as such agent with respect to the construction,  
31 operation, and maintenance of such facility, such agent shall be governed by the laws and  
32 regulations applicable to such agent as a separate legal entity, and not by any laws or  
33 regulations which may be applicable to any of the other participating parties.  
34 Notwithstanding any other law to the contrary, pursuant to the terms of any such  
35 agreement, the authority may delegate its powers and duties with respect to the  
36 construction, operation, and maintenance of such facility to the party acting as agent; and

1 all actions taken by such agent in accordance with the provisions of such agreement may  
2 be made binding upon the authority without further action or approval by the authority;

3 (9) To accept, receive, and administer gifts, grants, appropriations, and donations of  
4 moneys, materials, and property of any kind, including loans and grants from the United  
5 States government or the State of Georgia or any agency, department, authority, or  
6 instrumentality of either, upon such terms and conditions as the United States  
7 government, the State of Georgia, or such agency, department, authority, or  
8 instrumentality shall impose; to administer trusts; and to sell, lease, transfer, convey,  
9 appropriate, and pledge any and all of its property and assets;

10 (10) To invest any accumulation of its funds and any sinking fund or reserves in any  
11 manner that the authority considers prudent, including entering into hedging, options, and  
12 future transactions, notwithstanding any other law of this state relating to investment of  
13 public funds, and to purchase its own bonds and notes;

14 (11) To employ such investment and money-management techniques as the authority  
15 shall determine to be prudent and not inconsistent with this chapter or the other laws of  
16 the state;

17 (12) To do any and all things necessary to reduce the cost of water furnished to political  
18 subdivisions contracting with the authority including, without limitation, entering into  
19 interest rate swaps and other arrangements for restructuring the authority's capitalization;

20 (13) To provide management, technical, financial, informational, promotional, and  
21 educational services to and for the benefit of the political subdivisions;

22 (14) To do any and all things necessary or proper for the accomplishment of the  
23 objectives of this chapter and to exercise any power usually possessed by private  
24 corporations performing similar functions which is not in conflict with the Constitution  
25 and laws of this state, including:

26 (A) Employment of professional and administrative staff and personnel and retaining  
27 of legal, engineering, and other professional services;

28 (B) The purchase of all kinds of insurance, including, without limitation, insurance  
29 against tort liability and against risks of damage to property;

30 (C) The borrowing of money for any of the corporate purposes of the authority,  
31 provided that obligations of the authority other than revenue bonds for which provision  
32 is made in this chapter shall be payable from funds of the authority other than any  
33 special fund allocated to the payment of revenue bonds, and shall not be a charge  
34 against such special fund;

35 (D) The power to indemnify and hold harmless any parties contracting with the  
36 authority or its agents from damage to persons or property; and

1 (E) The power to act as self-insurer with respect to any loss or liability; and

2 (15) To issue its revenue bonds as provided in this chapter in evidence of its  
3 indebtedness incurred with respect to the powers described in this chapter, such bonds to  
4 be payable from the revenues, receipts, and earnings of the projects or systems of the  
5 authority and other available funds thereof; to execute trust agreements or indentures; to  
6 sell, convey, pledge, and assign any and all of its funds, assets, property, and income as  
7 security for the payment of such revenue bonds; and to provide for the payment of the  
8 same and for the rights of the owners thereof.

9 50-36-11.

10 The authority shall not operate or construct any project for profit, except insofar as any  
11 such profit will inure to the benefit of the public. The authority shall fix the rates, fees, and  
12 charges consistent with this declaration of policy such as will produce revenues only in  
13 amounts sufficient, together with all other funds of the authority, to pay the principal or  
14 purchase price of and premium, if any, and interest on bonds and all other indebtedness and  
15 contractual obligations of the authority; to provide for maintenance and operation of the  
16 authority and of its projects; to provide for payment of any judgment against the authority;  
17 and to maintain such reserves as shall have been created in amounts sufficient in the  
18 judgment of the authority for the security of the bonds and other obligations; and for the  
19 improvement, replacement, or expansion of the facilities or services of the authority or to  
20 provide fuel for its projects.

21 50-36-12.

22 (a) It is found, determined, and declared that the creation of the authority and the carrying  
23 out of its corporate purposes are in all respects for the benefit of the people of this state and  
24 that the authority is an institution of purely public charity performing an essential  
25 governmental function.

26 (b) The property of the authority is declared, and shall in all respects be considered, to be  
27 public property. Title to the authority's property shall be held by the authority only for the  
28 benefit of the public; and the use of such property pursuant to this chapter shall be and is  
29 declared to be for essential public and governmental purposes, that is, for the promotion  
30 of public general welfare in the matter of providing an adequate, dependable, and  
31 economical water supply in an effort to better the general condition of society in this state,  
32 which promotion is declared to be a public beneficence for the good of humanity and for  
33 the general improvement and happiness of society.

1 (c) All property of the authority; all income, obligations, and interest on the bonds and  
2 notes of the authority; and all transfers of such property, bonds, or notes shall be and are  
3 declared to be exempt from taxation by the state or any of its political subdivisions.

4 50-36-13.

5 (a) The authority may contract with any political subdivision of this state which is  
6 authorized by Code Section 50-36-14 to make such contracts for the payment of such rates,  
7 tolls, fees, and charges as may be prescribed by the authority for the use by such  
8 subdivisions or the residents thereof of the services, projects, and facilities of the authority,  
9 including the purchase of water supply planning and development services. Any such  
10 political subdivision shall have the right and power, by resolution of its governing body,  
11 to make such a contract; and the amounts contracted to be paid by such political  
12 subdivision to the authority under such a contract shall constitute general obligations of  
13 such political subdivision for the payment of which the full faith and credit of such political  
14 subdivision may be pledged to provide the funds required to fulfill all obligations arising  
15 under any such contract.

16 (b) Any such political subdivision which enters into such a contract pursuant to this  
17 chapter shall, annually in each and every fiscal year during the term of such contract,  
18 include in a general revenue or appropriation measure, whether or not any other items are  
19 included, sums sufficient to satisfy the payments required to be made in each year by such  
20 contract until all payments required under such contract have been paid in full.

21 (c) If for any reason a provision or appropriation pursuant to subsection (b) of this Code  
22 section is not made, then the fiscal officers of such political subdivision are authorized and  
23 directed to set up as an appropriation on their accounts in each fiscal year the amounts  
24 required to pay the obligations called for under any such contract. The amount of an  
25 appropriation made under this subsection in each fiscal year shall be due and payable and  
26 shall be expended for the purpose of paying and meeting the obligations provided under  
27 the terms and conditions of such contract; and such appropriation shall have the same legal  
28 status as if the contracting political subdivision had included the amount of the  
29 appropriation in its general revenue or appropriation measure. Such fiscal officers shall  
30 make such payment to the authority if for any reason such appropriation is not otherwise  
31 made.

32 (d) Any contract entered into pursuant to this Code section may provide for the purchase  
33 of water from one or more projects or from a system and may provide for all of the water  
34 requirements of the political subdivision's water system or for a portion of such

1 requirements or may provide for the purchase by the political subdivision of a specified  
2 portion of the output or volume of a particular project.

3 (e) Any such contract may provide that the political subdivision is obligated to make  
4 payments, whether or not a project is completed, operable, or operating; whether or not the  
5 output, volume, capacity, or service of a project is suspended, interrupted, interfered with,  
6 reduced, or curtailed; whether or not the water or services contracted for are furnished,  
7 made available, or delivered; and regardless of the performance or nonperformance of the  
8 authority or another political subdivision under the contract or any other instrument.

9 (f) Any such contract may provide that if another political subdivision or other person  
10 defaults in the payment of its obligations, then the political subdivision that is party to such  
11 contract is required to pay for, is entitled to, and may use or otherwise dispose of its  
12 proportionate share of the output that was to be purchased by the defaulting political  
13 subdivision or other person.

14 (g) Loans made to a political subdivision pursuant to this chapter shall be for use in the  
15 water system of such political subdivision, and such loan shall be made and repaid, with  
16 interest, on such terms as the authority and political subdivision shall agree.

17 (h) Any such contract may obligate the political subdivision to pay such amounts as the  
18 authority may determine as necessary or desirable to establish reserves for rate stabilization  
19 purposes.

20 50-36-14.

21 The political subdivisions with which the authority shall be authorized to contract to  
22 provide a water supply pursuant to this chapter shall be those political subdivisions of this  
23 state which own and operate, or intend to own and operate, a water distribution system.

24 50-36-15.

25 (a) When the authority desires to issue revenue bonds as permitted by this chapter, the  
26 authority shall, prior to the adoption of a resolution authorizing the issuance of such bonds,  
27 enter into one or more contracts with no less than five political subdivisions which are  
28 authorized to contract with the authority in accordance with Code Section 50-36-14. All  
29 such contracts shall be in accordance with Code Section 50-36-13.

30 (b) The acquisition, construction, reconstruction, improvement, equipping, alteration,  
31 repair, or extension of any project, and the issuance, in anticipation of the collection of the  
32 revenues from such project, of bonds to provide funds to pay the cost thereof, may be  
33 authorized under this chapter by resolution of the authority. Unless otherwise provided  
34 therein, such resolution shall take effect immediately and need not be laid over or published

1 or posted. The authority, in determining such cost, may include all costs and estimated  
2 costs of the issuance of the bonds; all engineering, inspection, fiscal, and legal expenses;  
3 the interest which it is estimated will accrue during the construction period and during such  
4 additional period as the authority may determine on money borrowed, or which it is  
5 estimated will be borrowed pursuant to this chapter; and all costs included in the definition  
6 of 'cost of project' as defined in Code Section 50-36-1. Such bonds may also be issued to  
7 pay off, refund, or refinance any outstanding bonds or other obligations of any nature owed  
8 by the authority, whether or not such bonds or other obligations shall then be subject to  
9 redemption; and the authority may provide for such arrangements as it may determine for  
10 the payment and security of the bonds being issued or for the payment and security of the  
11 bonds or other obligations to be paid off, refunded, or refinanced. Such bonds may also  
12 be issued for the purpose of loaning the proceeds thereof to political subdivisions for use  
13 in their water systems and to finance any other corporate purposes of the authority.

14 (c) Revenue bonds may be issued under this chapter in one or more series; may bear such  
15 date or dates; may mature at such time or times, not exceeding 50 years from their  
16 respective dates; may bear interest at such rate or rates, that may be fixed or may vary in  
17 accordance with a specified formula or method of determination, payable at such time or  
18 times; may be payable in such medium of payment at such place or places; may be in such  
19 denomination or denominations; may be in such form, either coupon or fully registered  
20 without coupons; may be issued in any specific amounts; may carry such registration,  
21 conversion, and exchangeability privileges; may be declared or become due before the  
22 maturity date thereof; may provide such call or redemption privileges; may have such rank  
23 or priority; and may contain such other terms, covenants, assignments, and conditions as  
24 the bond resolution authorizing the issuance of such bonds or any indenture or trust  
25 agreement may provide. The authority may sell such bonds in such manner, at such price  
26 or prices, and upon such terms and conditions as shall be determined by the authority. The  
27 authority may arrange for insurance contracts, surety bonds, letters of credit, lines of credit,  
28 commitments to purchase, or other liquidity or credit support mechanisms and may  
29 remarket bonds to provide security to assure timely payment of bonds. The authority may  
30 by resolution delegate to such officers, employees, or agents as the authority's members  
31 may select the power to authorize the issuance and sale of bonds and fix, within limits  
32 prescribed in the resolution, the time and manner of their sale, maturities, date or rates of  
33 interest, and other terms and conditions the officer, employee, or agent considers  
34 appropriate.

35 (d) The bonds shall be signed by the chairperson or other authorized officers of the  
36 authority; the corporate seal of the authority shall be impressed, imprinted, or otherwise

1 reproduced on the bonds; and the bonds shall be attested by the signature of the  
2 secretary-treasurer or assistant secretary-treasurer of the authority. The signatures of the  
3 officers of the authority and the seal of the authority upon any bond, note, or other debt  
4 security issued by the authority may be by facsimile if the instrument is authenticated or  
5 countersigned by a trustee or other authenticating agent other than the authority itself or an  
6 officer or employee of the authority. All bonds or notes issued under authority of this  
7 chapter bearing signatures or facsimiles of the signatures of officers of the authority in  
8 office on the date of the signing thereof shall be valid and binding, notwithstanding that  
9 before the delivery thereof and payment therefor such officers whose signatures appear  
10 thereon shall have ceased to be officers of the authority. Pending the preparation of the  
11 definitive bonds, interim receipts, in such form and with such provisions as the authority  
12 may determine, may be issued to the purchasers of bonds to be issued under this chapter.

13 (e) Any bond resolution authorizing the issuance of bonds and any indenture or trust  
14 agreement entered into under this chapter to finance in whole or in part the acquisition,  
15 construction, reconstruction, improvement, equipment, alteration, repair, or extension of  
16 any project may contain covenants as to:

17 (1) The rates, fees, tolls, or charges to be charged for the services, facilities, and  
18 commodities of the project or system;

19 (2) The use and disposition of the revenue to be derived from the project or system;

20 (3) The creation and maintenance of reserves or sinking funds and the regulation, use,  
21 and disposition thereof, including debt service reserve; renewal and replacement or other  
22 capital improvement reserve, including reserves for the provision of fuel; and such other  
23 reserves as may be reasonably required by the authority for the operation of its projects  
24 and as may be authorized by the bond resolution or trust agreement or indenture pursuant  
25 to which the issuance of such bonds may be authorized;

26 (4) The purposes to which the proceeds of the sale of said bonds may be applied, and the  
27 use and disposition of such proceeds;

28 (5) Events of default and the rights and liabilities arising thereupon, the terms and  
29 conditions upon which bonds issued under this chapter shall become or may be declared  
30 due before maturity, and the terms and conditions upon which such declaration and its  
31 consequences may be waived;

32 (6) The issuance of other additional bonds or instruments payable from or a charge  
33 against the revenue of such project or system;

34 (7) The insurance to be carried thereon and the use and disposition of insurance  
35 proceeds;

36 (8) Books of account and inspection and audit thereof;

1 (9) Limitations or restrictions on the power to lease or otherwise dispose of the project  
2 while any of the bonds or interest thereon remains outstanding and unpaid; and

3 (10) The operation and maintenance of the project or system, and of the authority.

4 (f) The provisions of this chapter and of any bond resolution, indenture, or trust agreement  
5 entered into pursuant to this chapter shall be a contract with every holder of the bonds; and  
6 the duties of the authority under this chapter and under any such bond resolution, indenture,  
7 or trust agreement shall be enforceable by any bondholder by mandamus or other  
8 appropriate action or proceeding at law or in equity.

9 (g) The authority shall give notice to the district attorney of the Clayton Judicial Circuit  
10 of its intention to issue its revenue bonds, setting forth the fact of service of such notice,  
11 the principal amount of bonds to be issued, the purpose for which the same are to be issued,  
12 whether the bonds are to be issued in separate series or installments from time to time, the  
13 interest rate or rates which such bonds are to bear, the amount of principal to be paid in  
14 each year during the life of the bonds or the method or formula by which such amounts  
15 shall be determined, the date by which all bonds are to be paid in full, and the security to  
16 be pledged to the payment of the bond; provided, however, that such notice, in the  
17 discretion of the authority, in lieu of specifying the rate or rates of interest which the bonds  
18 are to bear, may state that the bonds when issued will bear interest at a rate not exceeding  
19 a maximum per annum rate of interest specified in the notice or the maximum rate  
20 permitted, at any time, by law, or, in the event the bonds, or any series or installment  
21 thereof, are to bear different rates of interest for different maturity dates, may state that  
22 none of such rates will exceed the maximum rate specified in the notice; provided, further,  
23 that nothing in this subsection shall be construed as prohibiting or restricting the right of  
24 the authority to sell the bonds at a discount, even if in so doing the effective interest cost  
25 resulting therefrom would exceed the maximum per annum interest rate specified in the  
26 notice to the district attorney. Such notice shall be signed by the chairperson, vice  
27 chairperson, or secretary-treasurer.

28 (h) Within 20 days after the date of service of the required notice, the district attorney shall  
29 prepare and file in the office of the clerk of the Superior Court of Clayton County a  
30 complaint directed to the Superior Court of Clayton County in the name of the state and  
31 against the authority, setting forth the fact of service of such notice, the amount of the  
32 bonds to be issued, for what purpose they are to be issued, whether the bonds are to be  
33 issued in separate series or installments from time to time, the interest rate or rates they are  
34 to bear or the maximum rate or rates of interest, the amount of principal and interest to be  
35 paid annually or the method or formula by which the amount of such payments shall be  
36 determined, and the date by which all bonds are to be paid in full. In addition, the district



1 attorney shall obtain from the judge of the court an order requiring the authority by its  
2 proper officers to appear at such time and place as the judge may direct, either during a  
3 session of court or in chambers, within 20 days after the filing of the complaint, and show  
4 cause, if any, why the bonds should not be confirmed and validated. Such complaint and  
5 order shall be served upon the authority in the manner provided by law; and to such  
6 complaint the authority shall make sworn answer at or before the date set in the order for  
7 the hearing.

8 (i) Prior to the hearing of the cause, the clerk of the Superior Court of Clayton County  
9 shall publish in the official organ of Clayton County once during each of the two weeks  
10 immediately preceding the week in which the hearing is to be held a notice to the public  
11 that, on the day specified in the order providing for the hearing of the cause, the same will  
12 be heard.

13 (j) Within the time prescribed in the order or at such other time as he or she may fix, the  
14 judge of the superior court shall proceed to hear and determine all questions of law and of  
15 fact in the cause, including the question of whether the contractual obligations which are  
16 made a condition precedent to the issuance of such bonds by subsection (a) of this Code  
17 section have been properly incurred; and the judge shall render judgment on the cause.  
18 Any citizen of this state may become a party to the proceedings at or before the time set for  
19 the hearing. Any party who is dissatisfied with the judgment of the court confirming and  
20 validating the issuance of the bonds and the security therefor or refusing to confirm and  
21 validate the issuance of the bonds and the security therefor may appeal from the judgment  
22 under the procedure provided by Article 2 of Chapter 6 of Title 5. No appeal may be taken  
23 by any person who was not a party at the time the judgment appealed from was rendered.

24 (k) In the event no appeal is filed within 30 days after the date of the judgment of  
25 validation, or, if an appeal is filed, in the event the judgment is affirmed on appeal, the  
26 judgment of the superior court so confirming and validating the issuance of the bonds and  
27 the security therefor shall be forever conclusive upon the validity of the bonds and the  
28 security therefor.

29 (l) Bonds issued under this chapter shall bear a certificate of validation signed with the  
30 facsimile or manually executed signature of the clerk of the Superior Court of Clayton  
31 County stating the date on which the bonds were validated as provided in this Code section;  
32 and such entry shall be original evidence of the fact of judgment and shall be received as  
33 original evidence in any court in this state.

34 (m) The authority shall reimburse the district attorney for his or her actual costs of the  
35 case, if any. For every \$5,000.00 in principal amount of bonds or portion thereof, there

shall be payable to the clerk of the Superior Court of Clayton County the following fees for validation and confirmation:

First \$500,000.00 .....	\$ 1.00
\$501,000.00 - \$2,500,000.00 .....	.25
All over \$2,500,000.00 .....	.10

(n) Any other law to the contrary notwithstanding, this chapter shall govern all civil claims, proceedings, and actions respecting debt of the authority evidenced by revenue bonds.

(o) Nothing in this chapter shall prohibit the authority from issuing bonds, the interest on which is includable in gross income of the owners thereof for federal income tax purposes.

50-36-16.

(a) When payments which are made by political subdivisions pursuant to contracts entered into under subsection (a) of Code Section 50-36-19 are pledged as security for the payment of bonds sought to be validated, the petition for validation shall make party defendant the authority and shall also make parties defendant to such action every political subdivision which has contracted with the authority for the use of the facilities, commodities, and services of the project, if any, for which bonds shall be sought to be validated and issued. In addition, where the bonds are to be issued to finance a project, every other party, whether public or private, contracting with the authority in any manner with relation to the operation of such project, and particularly with relation to any common ownership of such project or to the supplying of water to the authority or the taking or purchasing of water from the project, shall be made parties defendant.

(b) All such parties defendant shall be served and shall be required to show cause, if any exists, why such contracts and the terms and conditions thereof should not be inquired into by the court and the validity of the terms thereof determined and the matters and conditions imposed on the parties to such contracts and all such undertakings thereof adjudicated to be valid and binding on the parties thereto.

(c) Notice of such proceedings shall be included in the notice of validation hearing required by subsection (i) of Code Section 50-36-15 to be issued and published by the clerk of the Superior Court of Clayton County. In addition to such notice required to be published in Clayton County, such notice shall also be published in a newspaper or newspapers of general circulation in the State of Georgia, once a week during each of the two weeks immediately preceding the week of the hearing.

(d) Any citizen resident of this state may, at or before the time set for the validation hearing, intervene in the validation proceedings conducted in the Superior Court of Clayton County pursuant to Code Section 50-36-15 and may assert any ground or objection to the

1 validity and binding effect of such contract on his or her own behalf and on behalf of any  
2 political subdivision and of all citizens, residents, and property owners of the state.

3 (e) No appeal may be taken by any person who was not a party at the time the judgment  
4 appealed from was rendered.

5 (f) An adjudication as to the validity of any such contract which adjudication is unexcepted  
6 to within 30 days after the date of the judgment of validation or, if an appeal is filed, which  
7 adjudication is confirmed on appeal shall be forever conclusive and binding upon such  
8 political subdivisions and the resident citizens and property owners of this state.

9 50-36-17.

10 In all cases where the authority has adopted a resolution for the issuance of revenue bonds,  
11 and where notice has been duly served upon the district attorney for the purpose of securing  
12 a judicial validation of such bonds and the security therefor, and where, in such case, there  
13 has been a failure on the part of such district attorney or other officer to proceed within the  
14 time prescribed by this chapter, it shall be competent for the authority to represent such  
15 facts in writing to the court and to represent further that such failure has been without fault  
16 on the part of the authority. In such case, the Superior Court of Clayton County shall have  
17 power and authority to inquire into the facts; and, upon being satisfied that such failure has  
18 not arisen from any fault or neglect on the part of the authority, it shall be the duty of the  
19 court to pass an order directing such district attorney to proceed within ten days to file a  
20 complaint as authorized by this chapter. Thereafter, the proceedings shall be held in the  
21 same manner as would have been followed had such petition been duly and promptly filed  
22 in the first instance.

23 50-36-18.

24 The bonds authorized by this chapter shall be securities in which:

25 (1) All public officers and bodies of this state;

26 (2) All political subdivisions of this state;

27 (3) All insurance companies and associations, and other persons carrying on an insurance  
28 business;

29 (4) All banks, bankers, trust companies, savings banks, and savings associations,  
30 including savings and loan associations, building and loan associations, investment  
31 companies, and other persons carrying on a banking business;

32 (5) All administrators, guardians, executors, trustees, and other fiduciaries; and

33 (6) All other persons whatsoever who are authorized to invest in bonds or other  
34 obligations of the state

1 may properly and legally invest funds, including capital in their control or belonging to  
2 them. Such bonds shall also be securities which may be deposited with and shall be  
3 received by all public officers and bodies of this state and its political subdivisions for any  
4 purpose for which deposit of the bonds or other obligations of this state is authorized.

5 50-36-19.

6 (a) All or any part of the gross or net revenues and earnings derived from any particular  
7 project or system and any and all revenues and earnings received by the authority,  
8 regardless of whether such revenues and earnings were produced by a particular project for  
9 which bonds have been issued, may be pledged by the authority to the payment of the  
10 principal of and interest on revenue bonds of the authority as may be provided in any  
11 resolution authorizing the issuance of such bonds or in any trust instrument pertaining to  
12 such bonds.

13 (b) Such funds so pledged, from whatever source received, may include funds received  
14 from one or more or all sources and may be set aside at regular intervals into sinking funds  
15 for which provision may be made in any such resolution or trust instrument, which sinking  
16 funds may be pledged to and charged with the payment of:

- 17 (1) The interest upon such revenue bonds as such interest shall become due;  
18 (2) The principal of the bonds as the same shall mature;  
19 (3) The necessary charges of any trustee, paying agent, or registrar for such bonds; and  
20 (4) Any premium upon bonds retired upon call or purchase.

21 (c) The use and disposition of any sinking fund may be subject to regulations for which  
22 provision may be made in the resolution authorizing the issuance of the bonds or in the  
23 trust instrument or indenture securing the payment of the same.

24 50-36-20.

25 (a) In the discretion of the authority, any issue of revenue bonds may be secured by a trust  
26 agreement or indenture made by the authority with a corporate trustee, which may be any  
27 trust company or bank having the powers of a trust company inside or outside this state.  
28 Such trust agreement or indenture may pledge or assign any or all revenue, receipts, and  
29 earnings to be received by the authority and any proceeds which may be derived from the  
30 disposition of any real or personal property of the authority or proceeds of insurance carried  
31 thereon.

32 (b) The resolution providing for the issuance of revenue bonds and such trust agreement  
33 or indenture may contain provisions for protecting and enforcing the rights and remedies  
34 of the bond owners, including the right of appointment of a receiver upon default in the

1 payment of any principal or interest obligation and the right of any receiver or trustee to  
2 enforce collection of any rates, fees, tolls, charges, or revenues for the use of the services  
3 or facilities of the project or system necessary to pay all costs of operation and all reserves  
4 provided for, the principal of and interest on all bonds in the issue, all costs of collection,  
5 and all other costs reasonably necessary to accomplish the collection of such sums in the  
6 event of any default of the authority.

7 (c) Such resolution, trust agreement, or indenture may include covenants setting forth the  
8 duties of the authority regarding the acquisition of property for and the construction of the  
9 project and regarding the custody, safeguarding, and application of all funds of the  
10 authority, including any proceeds derived from the disposition of any real or personal  
11 property of the authority or proceeds of insurance carried thereon. In addition, such  
12 resolution, trust agreement, or indenture may include covenants providing for the operation,  
13 maintenance, repair, and insurance of the project and may contain provisions concerning  
14 the conditions, if any, upon which additional bonds may be issued.

15 (d) Such resolution, trust agreement, or indenture may set forth the rights and remedies of  
16 the bond owners and of the trustee; may restrict the individual right of action of any bond  
17 owner in such manner as is customary in securing bonds and debentures of corporations;  
18 and may contain such other provisions as the authority may deem reasonable and proper  
19 for the security of the bond owners.

20 (e) All expenses incurred in carrying out any trust agreement or indenture under this Code  
21 section may be treated as a part of the cost of maintenance, operation, and repair of the  
22 project affected by such trust agreement or indenture.

23 50-36-21.

24 (a) Proceeds of the bonds issued under authority of this chapter shall be used solely for the  
25 purpose of financing corporate purposes of the authority, including the payment of the cost  
26 of projects and the loaning of proceeds to political subdivisions, and shall be disbursed  
27 upon requisition or order of such person and under such restrictions as the resolution  
28 authorizing the issuance of such bonds or the trust agreement or indenture may provide.

29 (b) If the proceeds of such bonds, including all series or installments of such issue, by error  
30 of calculation or otherwise, are less than the cost of projects or the cost of other purposes  
31 financed thereby, then, unless otherwise provided in the resolution authorizing the issuance  
32 of the bonds or in the trust agreement or indenture, additional bonds may in like manner  
33 be issued, subject to the requirements of subsection (a) of Code Section 50-36-21 to  
34 provide the amount of such deficit. Unless otherwise provided in the resolution authorizing  
35 the issuance of the bonds or in the trust agreement or indenture, such additional bonds shall

1 be deemed to be of the same issue and shall be entitled to payment from the same fund,  
2 without preference or priority, as the bonds first issued for the same purpose.

3 (c) If the proceeds of the bonds of any issue exceed the amount required for the purpose  
4 for which such bonds are issued, the surplus shall be paid into the fund provided for the  
5 payment of principal and interest of such bonds.

6 (d) In the discretion of the authority, revenue bonds of a single issue or series or  
7 installment of such issue may be issued for the purpose of paying the cost of any one or  
8 more projects.

9 50-36-22.

10 (a) If any bond becomes mutilated or is lost, stolen, or destroyed, the authority may  
11 execute and deliver, and the trustee may authenticate, a new bond of like date of issue,  
12 maturity date, principal amount, and interest rate per annum as the bond so mutilated, lost,  
13 stolen, or destroyed; which new bond shall have the same provisions in all respects as those  
14 on the bond mutilated, lost, stolen, or destroyed, provided that:

15 (1) In the case of any mutilated bond, such bond is first surrendered to the authority or  
16 to the trustee;

17 (2) In the case of any lost, stolen, or destroyed bond, there is first furnished evidence of  
18 such loss, theft, or destruction satisfactory to the authority and the trustee, together with  
19 indemnity satisfactory to the authority and the trustee;

20 (3) All other reasonable requirements of the authority and the trustee are complied with;  
21 and

22 (4) Expenses in connection with such transaction are paid.

23 (b) Any bonds surrendered for exchange shall be canceled.

24 (c) The authority shall be authorized to print the new bond with the validation certificate  
25 bearing the facsimile signature of the clerk of the superior court then in office, and such  
26 certificate shall have the same force and effect as in the first instance. All responsibility  
27 with respect to the issuance of any such new bonds shall be with the authority and not with  
28 such clerk; and such clerk shall have no liability in the event an overissuance occurs.

29 50-36-23.

30 Interest shall cease to accrue on any bond on the date that such bond becomes due for  
31 payment if said payment is made or duly provided for, but liability for such bond and for  
32 the accrued interest thereon shall continue until such bond is 20 years overdue for payment.  
33 At that time, unless demand for payment has been made, such obligation shall be  
34 extinguished and shall be deemed no longer outstanding.

1 50-36-24.

2 Unless otherwise directed by the authority, every evidence of indebtedness and interest  
3 coupon paid or otherwise retired shall forthwith be marked 'canceled' and shall be delivered  
4 by the paying agent making payment thereof to the authority, whereupon the evidence of  
5 indebtedness or the interest coupon shall be destroyed and a certificate of destruction shall  
6 be filed in the records of the authority.

7 50-36-25.

8 The fiscal officer of the authority or his or her agent shall maintain records containing a full  
9 and correct description of each evidence of indebtedness issued, identifying it and showing  
10 its date, issue, amount, interest rate, payment dates, payments made, registration,  
11 cancellation, destruction, and every other relevant transaction.

12 50-36-26.

13 The authority may appoint one or more paying agents for each issue or series or installment  
14 of bonds. Every such paying agent shall be an incorporated bank or trust company  
15 authorized by the laws of the United States or of the state in which it is located to do a  
16 banking or trust business. The authority may make such provisions respecting paying  
17 agents as it deems necessary or useful and may enter into a contract with any paying agents  
18 containing such terms, including its compensation, and such conditions in regard to the  
19 paying agents as the authority deems necessary or useful.

20 50-36-27.

21 (a) The authority shall have the power and is authorized, whenever revenue bonds of the  
22 authority have been validated as provided in Code Section 50-36-21, to issue from time to  
23 time its negotiable notes in anticipation of the issuance of such bonds as validated and to  
24 renew from time to time any such notes by the issuance of new notes, regardless of whether  
25 the notes to be renewed have matured. The authority may issue notes only to provide funds  
26 which would otherwise be provided by the issuance of the bonds as validated. The notes  
27 may be authorized, sold, executed, and delivered in the same manner as bonds.

28 (b) Any resolution authorizing notes of the authority or any issue thereof may contain any  
29 provisions which the authority is authorized to include in any resolution authorizing bonds  
30 of the authority or any issue thereof; and the authority may include in any notes any terms,  
31 covenants, or conditions which it is authorized to include in any bonds.

32 (c) All notes shall be general obligations of the authority, payable out of any of its funds  
33 or revenues, subject only to any contractual rights of the holders of any of its notes or other

obligations then outstanding, provided that there may be specially pledged to the payment of such notes the proceeds to be derived from the issuance of the validated bonds in anticipation of the issuance of which the notes have been issued.

(d) Validation of such bonds shall be a condition precedent to the issuance of such notes, but it shall not be required that such notes be judicially validated.

(e) Bond anticipation notes shall not be issued in an amount exceeding the par value of the bonds in anticipation of which they are to be issued.

50-36-28.

Notwithstanding any other law to the contrary, every evidence of indebtedness issued under this chapter shall have all the rights and incidences of negotiable instruments, subject to provisions for registration.

50-36-29.

(a) Neither the members of the authority nor any person executing bonds or notes on behalf of the authority shall be personally liable thereon by reason of the issuance thereof.

(b) Neither the revenue bonds or notes issued under this chapter nor the instruments evidencing the obligations which constitute the security therefor shall constitute a debt of, a loan by, or a pledge of the faith and credit of the State of Georgia or of any political subdivision thereof. Rather, such bonds and notes shall be payable from the revenues of the authority as provided in the resolutions, trust agreements, or indentures authorizing or securing the issuance and payment of such bonds or notes. The issuance of such bonds or notes shall not obligate the state or any political subdivision thereof to levy or pledge any form of taxation whatever for the payment thereof. No owner of any such bond or note, and no receiver or trustee in connection therewith, shall have the right to enforce the payment of the bond or note against any property of the state or of any political subdivision thereof; nor shall any such bond or note constitute a charge, lien, or encumbrance, whether legal or equitable, upon any such property.

(c) All such bonds and notes shall contain on their face a recital setting forth the complete immunity of the state and any political subdivisions from liability thereon, which recital shall contain substantially the foregoing provisions of this Code section.

50-36-30.

While any of the bonds or notes issued by the authority remain outstanding, the powers, duties, or existence of the authority or of its officers, employees, or agents shall not be diminished, impaired, or affected in any manner which will affect adversely the interest and



1 rights of the owners of such bonds or notes; and no other authority, instrumentality, or body  
2 will be created or empowered to compete with the authority so as to affect adversely the  
3 interests and rights of the owners of such bonds or notes; nor will the state itself so compete  
4 with the authority. This chapter shall be for the benefit of the state, the authority, and every  
5 owner of the authority's bonds and notes and, upon and after the issuance of bonds or notes  
6 under this chapter, shall constitute an irrevocable contract by the state with the owners of  
7 such bonds and notes.

8 50-36-31.

9 (a) If the authority defaults on the payment of the principal or interest on any of the  
10 revenue bonds after the same become due, whether at maturity or upon call for redemption,  
11 and such default continues for a period of 30 days, or if the authority or its officers, agents,  
12 or employees fail or refuse to comply with the essential provisions of this chapter or default  
13 in any material respect on any agreement made with the holders of the revenue bonds, any  
14 holders of revenue bonds or a trustee therefor shall have the right to apply in an appropriate  
15 judicial proceeding to the Superior Court of Clayton County for the appointment of a  
16 receiver of the undertaking, regardless of whether all revenue bonds have been declared  
17 due and payable, and regardless of whether such holder or trustee therefor is seeking or has  
18 sought to enforce any other right or exercise any remedy in connection with such revenue  
19 bonds. Upon such application, the court, if it deems such action necessary for the  
20 protection of the bondholders, may appoint a receiver for the undertaking, provided that  
21 such appointment shall be mandatory if the application is made by the holders of 25 percent  
22 in principal amount of such revenue bonds then outstanding, or by any trustee for holders  
23 of such revenue bonds in such principal amount.

24 (b) A receiver appointed pursuant to subsection (a) of this Code section shall forthwith,  
25 directly or by his or her agents and attorneys, enter into and upon and take possession of  
26 the project or of such portion thereof or interest therein as is owned by the authority. If the  
27 court so directs, the receiver may wholly exclude from the project the authority, its officers,  
28 agents, and employees, and all persons claiming under them. Upon taking possession of  
29 the project, the receiver shall have, hold, use, operate, manage, and control the same and  
30 each and every part thereof and, in the name of the authority or otherwise, as the receiver  
31 may deem best, shall exercise all of the rights and powers of the authority with respect to  
32 the undertaking as the authority itself might do. The receiver shall maintain, restore,  
33 insure, and keep insured the project or such portion or interest therein as is owned by the  
34 authority; from time to time shall make all such necessary or proper repairs as the receiver  
35 may deem expedient; shall establish and maintain rates and collect such fees, tolls, and

1 other charges in connection with the project as the receiver may deem necessary or proper  
2 and reasonable; and shall collect and receive all revenues, shall deposit the same in a  
3 separate account, and shall apply such revenues so collected and received in such manner  
4 as the court shall direct, provided that the duties of the receiver as described in this  
5 subsection shall be performed in a manner consistent with any and all existing contractual  
6 arrangements to which the authority may be a party; and the powers of the receiver shall  
7 be no greater than the powers of the authority.

8 (c) Whenever all amounts due upon the revenue bonds and interest thereon have been  
9 cured and made good; and whenever a similar cure and making good has been effected in  
10 regard to any other notes, bonds, or other obligations, and interest thereon, which constitute  
11 a charge, lien, or encumbrance on the revenues of the project under any of the terms of any  
12 covenants or agreements with holders of revenue bonds; then, if it appears to the court that  
13 no default is imminent, the court shall direct the receiver to surrender possession of the  
14 project to the authority, provided that the same right of the holders of the revenue bonds  
15 to secure the appointment of a receiver as is provided in subsection (a) of this Code section  
16 shall exist upon any subsequent default.

17 (d) A receiver shall, in the performance of the powers conferred upon him or her by this  
18 Code section, act under the direction and supervision of the court making such  
19 appointment, shall at all times be subject to the orders and decrees of such court, and may  
20 be removed thereby. Nothing contained in this Code section shall limit or restrict the  
21 jurisdiction of such court to enter such other and further orders and decrees as the court  
22 may deem necessary or appropriate for the exercise by the receiver of any functions  
23 specifically set forth in this Code section.

24 50-36-32.

25 (a) For the purpose of earning sufficient revenue to make possible the financing with  
26 revenue bonds of the construction of the projects of the authority or the accomplishment  
27 of its corporate purposes, the authority is authorized to fix and revise rates and collect fees,  
28 tolls, and charges on each project which it causes to be acquired or constructed or on the  
29 systems. Such rates, fees, tolls, and charges to be paid for the use of the facilities or  
30 services of such projects or systems shall be so fixed and adjusted from time to time as to  
31 provide a fund which, together with other revenue, if any, of such projects or of the  
32 authority, will be sufficient:

33 (1) To pay:

34 (A) The costs of operating, maintaining, repairing, and disposing of the projects,  
35 including reserves for insurance and extraordinary repairs, reserves required by the

1 resolution, or other reasonable reserves established by the authority trust agreement, or  
2 indenture pertaining to such bonds and the issuance thereof, unless such costs shall be  
3 otherwise provided for;

4 (B) The costs of operating and conducting the business of the authority, including  
5 salaries; fees for professional services, including legal, engineering, and others; and all  
6 expenses properly relating to the conduct of the affairs of the authority;

7 (C) The costs of water, whether produced by the authority or acquired from others; and

8 (D) All other costs associated with the operation and maintenance of the authority and  
9 its projects and facilities;

10 (2) To pay the principal of and interest on such revenue bonds as the same become due,  
11 including all premiums, if any, the proceeds of which shall have been or will be used to  
12 pay the cost of such projects, which cost shall include all elements of cost authorized by  
13 this chapter, including acquisition of property, whether real or personal, and any interest  
14 in property; clearing and preparing land for the purposes of this chapter; architectural,  
15 engineering, financial, and legal services; construction of projects authorized by this  
16 chapter; administrative expenses; funds for initiating the operation of the project; and  
17 interest prior to and during construction and during such period of time thereafter as may  
18 be determined by the authority;

19 (3) To comply with any sinking fund requirements contained in the resolution, trust  
20 agreement, or indenture pertaining to the issuance of and security for such bonds;

21 (4) To perform fully all provisions of such resolution, trust agreement, or indenture  
22 relating to the issuance of or security for such bonds to the payment of which such  
23 revenue is pledged;

24 (5) To accumulate any excess income which may be required by the purchasers of such  
25 bonds or may be dictated by the requirements of such resolution, trust agreement, or  
26 indenture or by the requirements of achieving ready marketability of and low interest  
27 rates on such bonds; and

28 (6) To pay expenses in connection with such bond issue or such projects, including, but  
29 not limited to, trustees and fiscal fees.

30 (b) The rates, fees, tolls, and charges authorized by subsection (a) of this Code section  
31 shall be payable at such intervals as may be agreed upon and set forth in the contract  
32 providing therefor. Any such contract may provide for the commencement of payments,  
33 not necessarily based directly on rates, to the authority prior to the completion of the  
34 undertaking by the authority of any such project and may require payments for the  
35 establishment of reserves for rate stabilization purposes; may provide for the making of  
36 payments during such times as such projects may be partially or wholly not in use, whether

1 or not any such project has been completed, is then operable, or is operating; and may  
2 provide that such payments shall not be subject to any reduction, by offset or otherwise,  
3 and shall not be conditioned upon the performance or nonperformance by any party of any  
4 agreement.

5 (c) Such contract may obligate the political subdivision to indemnify and save harmless  
6 the authority from any and all damage to persons and property occurring on or by reason  
7 of the project, and may also obligate the political subdivision to undertake, at the expense  
8 of the political subdivision, the defense of any action brought against the authority by  
9 reason of injury or damages to persons or property occurring on or by reason of the project.

10 (d) In the event of any failure or refusal on the part of the political subdivision to perform  
11 punctually any covenant or obligation contained in any such contract, the authority may  
12 enforce performance by any legal or equitable process, including specific performance.

13 (e) Any payments due or to become due to the authority pursuant to any such contract may  
14 be assigned by the authority to a trustee or paying agent as may be required by the terms  
15 of the resolution, trust agreement, or indenture relating to the issuance of and security for  
16 such bonds.

17 (f) The use and disposition of the authority's revenue shall be subject to the provisions of  
18 the resolution authorizing the issuance of such bonds or of the trust agreement or indenture,  
19 if any, securing the same.

20 50-36-33.

21 All funds received pursuant to authority of this chapter, whether as proceeds from the sale  
22 of revenue bonds or as revenues, fees, tolls, charges, or other earnings or as gifts, grants,  
23 or other contributions, shall be deemed to be trust funds to be held and applied solely as  
24 provided in this chapter. The bond owners entitled to receive the benefits of such funds  
25 shall have a lien on all such funds until applied as provided in any such resolution, trust  
26 agreement, or indenture of the authority.

27 50-36-34.

28 The authority, together with all funds established in connection with its debt, shall be  
29 audited no less frequently than annually by an independent certified public accountant to  
30 be selected by the authority. Copies of such audit shall be available upon request to  
31 interested parties, including, but without limitation, the holders of the authority's bonds and  
32 all parties contracting with the authority.

33 50-36-35.

(a) Except as provided in subsection (b) of this Code section, any action to protect or enforce any rights under this chapter brought in the courts of this state shall be brought in the superior court of the county in which the principal office of the authority is located.

(b) Any action pertaining to validation of the bonds issued under this chapter and pertaining to validation of the contracts constituting security for bonds shall be brought in the Superior Court of Clayton County. That court shall have exclusive original jurisdiction of any such action.

50-36-36.

(a) The rates, services, and practices relating to the manufacture, development, storage, production, transmission, and sale by the authority of water as authorized by this chapter shall not be subject to the provisions of the Public Service Commission law nor to regulation.

(b) The provisions of this chapter do not, and are not intended to, increase or diminish the authority and jurisdiction of the Public Service Commission with respect to the distribution, sale, or transmission of water by any county, municipal corporation, or other political subdivision of this state.

50-36-37.

Meetings of the authority shall be subject to Chapter 14 of Title 50. All records of the authority shall be subject to Chapter 4 of Chapter 18 of Title 50.

50-36-38.

The provisions of this chapter shall be regarded as supplementary and additional to and cumulative of powers conferred by other laws and shall not be regarded as being in derogation of any powers conferred by any other law.

50-36-39.

This chapter, being for the welfare of the state and its inhabitants, shall be liberally construed to effect the purposes hereof."

### SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.